

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Prescott Post Office
Prescott, Iowa 50859

Docket No. A2012-60

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 3, 2012)

On November 7, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 26, 2011, from postal customer Dan Westlake ("Mr. Westlake"). On November 17, 2011, postal customer Joyce James ("Ms. James") filed her appeal objecting to the discontinuance of the Post Office at Prescott, Iowa. (Mr. Westlake and Ms. James will be collectively referred to as "Petitioners.") On November 28, 2011, the Commission issued Order No. 1001, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). Petitioner Westlake filed a Participant Statement on December 14, 2011. In accordance with Order No. 1001, the administrative record was filed with the Commission on November 22, 2011.

The appeal and the Participant Statement raise four issues: (1) the impact on the provision of postal services, (2) the impact upon the Prescott community, (3) the calculation of economic savings expected to result from discontinuing the Prescott Post Office, and (4) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration.

Accordingly, the determination to discontinue the Prescott Post Office should be affirmed.

Background

The Final Determination To Close the Prescott, IA Post Office and Establish Service by Rural Route Service (“Final Determination” or “FD”),¹ as well as the administrative record, indicate that the Prescott Post Office provides EAS-11 level service to 205 carrier delivery customers, to 75 Post Office Box customers, and to retail customers between the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 3:45 p.m. Monday through Friday and Saturday between 8:00 a.m. and 9:15 a.m. The postmaster of the Prescott Post Office retired on July 3, 2009. Since the postmaster vacancy arose, an employee from a neighboring office was installed as an officer-in-charge (“OIC”) to operate the office. The noncareer postmaster relief (“PMR”) serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.² The average number of daily retail window transactions at the Prescott Post Office is 16, accounting for 20 minutes of workload daily. Revenue generally has been declining: \$20,129 in FY 2008 (53 revenue units); \$19,819 in FY 2009 (52 revenue units); and \$19,384 (51 revenue units) in FY 2010.³

¹ The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to “FD at __,” rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as “Item ____.”

² FD at 2, 7; Item No. 21, Letter to Postal Customer from Manager, Post Office Operations (“Letter to Customer”), at 3; Item No. 41, Proposal, at 2, 7.

³ FD at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route service administered by the Corning Post Office,⁴ an EAS-18 level office located 11 miles away, which has 100 available Post Office Boxes.⁵ Rural service will be provided to cluster box units (“CBUs”), free-standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer. A parcel locker may also be installed for convenient parcel delivery for customers.⁶

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Prescott Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements.⁷ In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Prescott Post Office. Questionnaires were also available over the counter for retail customers at Prescott.⁸ A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Prescott Post Office was warranted, and that effective and regular service could be provided through rural route service and retail

⁴ The Corning Post Office is not part of the candidate facilities on the RAOI list. See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

⁵ FD at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 41, Proposal, at 2.

⁶ FD at 4; Item No. 41, Proposal, at 4; Item 21, Letter to Customer, at 6.

⁷ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

⁸ Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Prescott Post Office, at 1.

services available at the Corning Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route service.⁹ One-hundred and one customers returned questionnaires, and the Postal Service responded.¹⁰ In addition, representatives from the Postal Service were available at the Prescott Post Office for a community meeting on May 16, 2011 to answer questions and provide information to customers.¹¹

Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Prescott and Corning Post Offices for 60 days beginning June 23, 2011 to August 24, 2011.¹² The Final Determination was posted at the same Post Offices starting on October 20, 2011 to November 21, 2011 as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item 50.

In light of the postmaster vacancy; a minimal workload; declining office revenue;¹³ the variety of delivery and retail options (including the convenience of rural route delivery and retail service);¹⁴ no projected population, residential, commercial, or business growth in the area;¹⁵ minimal impact upon the community; and the expected

⁹ Item No. 21, Letter to Customer, at 1

¹⁰ Item No. 22, Returned customer questionnaires and Postal Service response letters.

¹¹ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2.

¹² FD at 2.

¹³ See note 2 and accompanying text.

¹⁴ FD at 2, 8; Item No. 41, Proposal, at 2, 8.

¹⁵ Item No. 16, Community Survey Sheet.

financial savings,¹⁶ the Postal Service issued the Final Determination. Regular and effective postal services will continue to be provided to the Prescott community in a cost-effective manner upon implementation of the Final Determination.¹⁷

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Prescott Post Office on postal services provided to Prescott customers. The closing is premised upon providing regular and effective postal services to Prescott customers.

Petitioners, in their letters of appeal and the Participant Statement, raise the issue of the effect on postal services of the Prescott Post Office's closing, noting the convenience of the Prescott Post Office and requesting its retention.

Specifically, petitioners contend that service through the Corning Post Office will not provide the maximum degree of effective postal services because 1) the nearest Post Office with Saturday hours is twenty to twenty-five miles away; 2) older residents cannot purchase money orders at the Post Office anymore; and 3) the Post Office is more convenient for mailing packages and letters. Each of these concerns was considered by the Postal Service.

¹⁶ FD at 7; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 7.

¹⁷ FD at 2.

The Postal Service has considered the impact of closing the Prescott Post Office upon the provision of postal services to Prescott customers. FD at 2-6; Item No.41, Proposal, at 2-6. Rural route delivery to CBU's installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to nearby Post Offices on Saturdays or any other day of the week.¹⁸ FD at 4; Item No. 21, Customer Questionnaire Analysis, at 3; Item No. 25, Community Meeting Analysis, at 2-3; Item No. 41, Proposal, at 4.

As explained throughout the administrative record, carriers can perform many functions (at the same time that the carrier delivers the mail) that will prevent the need to travel to a Post Office for many transactions. Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or cluster box units. FD at 6; Item No. 41, Proposal, at 6; *see generally* Item No. 21, Returned Optional Comment Forms and USPS Response letters. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 3, 5; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 25, Community Meeting Analysis, at 2; Item No. 41, Proposal, at 3, 5; *see generally* Item No. 21, Returned Optional Comment Forms and USPS Response Letter.

Customers do not have to make a special trip to the Post Office for service. Most transactions do not require meeting the carrier at the mailbox. FD at 3; Item No. 23,

¹⁸ Additionally, there are six Post Offices open Saturday within twenty miles of the Prescott Post Office: Creston (12.9 miles away); Sharpsburg (15.5 miles away, under study); Bridgewater (15.7 miles away, under study); Clearfield (16.7 miles away); Massena (17.8 miles away); and Fontanelle (18.5 miles away).

Customer Questionnaire Analysis, at 3; Item No. 41, Proposal, at 3. Special provisions will be provided as needed. FD at 3; Item No. 23, Postal Customer Questionnaire Analysis, at 2; Item No. 41, Proposal, at 3.] The Postal Service has informed customers that they may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee. FD at 4; Item No. 41, Proposal, at 4. The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day. FD at 4; Item No. 41, Proposal, at 4. Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day. FD at 4; Item No. 41, Proposal, at 4.

The Postal Service also explained packages will still be delivered to customers. The Postal Service will deliver packages to a customer's cluster box. If the package does not fit into the cluster box, the carrier will deliver the package up to a half mile off of the line of travel at a designated place such as on to a customer's porch or under a carport. FD at 2; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 25, Community Meeting Analysis, at 1; Item No. 41, Proposal, at 2. Undeliverable accountable mail will be available at the Corning Post Office. Additionally, the carrier will accept packages for mailing. The carrier will estimate the cost and provide a receipt for money received. On the following delivery day, the carrier will provide change for the

amount over the estimate. FD at 2; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 25, Community Meeting Analysis, at 1; Item No 41, Proposal, at 2.

Furthermore, the special attention and assistance provided by the personnel at the Prescott Post Office will be provided by personnel at the Corning Post Office and from the carrier. FD at 2; Item No 41, Proposal, at 2. Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery to CBUs emanating from the Corning Post Office. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Corning Post Office, which is located eleven miles away. The window service hours of the Corning Post Office are from 8:30 a.m. to 11:30 a.m. and 12:30 p.m. to 4:30 p.m., Monday through Friday and closed on Saturday. FD at 2; Item No. 41, Proposal, at 2. Thus, the Postal Service has properly concluded that all Prescott customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

Effect Upon the Prescott Community

The Postal Service is obligated to consider the effect of its decision to close the Prescott Post Office upon the Prescott community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Prescott is an incorporated community located in Adams County. The community is administered politically by the Mayor and council. Police protection is provided by the Adams County Sheriff. Fire protection is provided by Prescott. FD at 6; Item No.16, Community Survey Fact Sheet, at 1; Item No. 41, Proposal, at 6. The questionnaires completed by Prescott customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Prescott must travel elsewhere for other supplies and services. See *generally* Item 22, Returned customer questionnaires and Postal Service response letters.

The Petitioners raise the issue of the effect of closing the Prescott Post Office upon the Prescott community. Petitioner Walker states that the presence of a Post Office benefits the community. These issues were extensively considered by the Postal Service, as reflected in the administrative record. FD at 6; Item No. 23, Customer Questionnaire Analysis, at 2-3; Item No. 25, Community Meeting Analysis, at 1; Item No. 41, Proposal, at 6; see *generally* Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The record makes clear that the Postal Service is addressing concerns about community identity through preservation of the community identity by continuing the use of the Prescott name and ZIP Code in addresses. FD at 3; Item No. 41, Proposal, at 3; Item No. 25, Community Meeting Analysis, at 1.

Communities generally require regular and effective postal services and these will continue to be provided to the Prescott community. In addition, the Postal Service has concluded that nonpostal services provided by the Prescott Post Office can be provided by the Corning Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 3; Item No. 41, Proposal, at 6.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Prescott Post Office on the community served by the Prescott Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Prescott Post Office and would still provide regular and effective service. Item No. 21, Letter to Postal Customer, at 1. The estimated annual savings associated with discontinuing the Prescott Post Office are \$33,532. FD at 6; Item No. 41, Proposal, at 6. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 6; Item No. 41, Proposal, at 6.

Petitioners note that 1) the building housing the Post Office is owned by the Postal Service; and 2) the roof was just redone last summer. The Petitioners state that the Postal Service would not recover the cost it incurred from repairing the roof. The Postal Service determined that rural carrier service is more cost-effective than maintaining the Prescott postal facility and postmaster position. FD at 7. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The economic savings calculation conducted as a part of a discontinuance study is forward-looking; the fact that the Postal Service will not recoup the value in the one-time cost of repairing the roof or that the Postal Service owns the building does not prevent the Postal Service from reducing expenses arising from this discontinuance action in the future.

Petitioners also state that the Postal Service should consider alternative options that would be helpful to the Postal Service and Prescott. Here, the Postal Service is only responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. The Postal Service has determined that carrier service, coupled with service at the Corning Post Office, is a reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

The postmaster retired on July 3, 2009. A noncareer employee was installed as the temporary officer-in-charge (OIC). The noncareer PMR serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. A career clerk based in Greenfield that has been working in Prescott will return to Greenfield. Item 15, Post Office Survey Sheet, at 1. The record shows that no other employee would be affected by this closing. FD at 7; Item No. 15, Post Office Survey Sheet, at 1; Item No. 41, Proposal, at 7.

Petitioners express concern about the loss of employment in the community. The Postal Service understands and is sympathetic to the Petitioners' concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the Final Determination.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Prescott Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Prescott Post Office on the provision of postal services and on the Prescott community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Prescott customers. FD at 2. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Prescott Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Prescott Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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